

Agenda Item: 8

Meeting Date: November 10, 2005

**CONSIDERATION OF A RESOLUTION RECOMMENDING
TO THE DEPARTMENT OF FISH AND GAME THAT IT ADOPT PROPOSED
DIRECTED ACTION PROPOSAL SOLICITATION AND EVALUATION GUIDELINES
FOR THE ECOSYSTEM RESTORATION PROGRAM**

Description: This report provides information regarding proposed guidelines for identifying, requesting and selecting proposals as directed actions to carry out the goals and objectives of the Ecosystem Restoration Program funded by Proposition 50.

Recommended Action: The Authority adopt the attached Resolution 05-11-01 recommending to the Department of Fish and Game that it adopt the Proposed Directed Action Proposal Solicitation and Evaluation Guidelines for the Ecosystem Restoration Program.

Background

California Water Code Section 79505.6 requires State agencies to develop and publish guidelines for funding projects under the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50). Under this section, the guidelines are required to be consistent with both the CALFED Bay-Delta Program's Programmatic Record of Decision (ROD) and the Ecosystem Restoration Program's planning documents (Plans). The California Department of Fish and Game (DFG) will be conducting two public workshops about these proposed guidelines: one in Northern California and one in Southern California. Funding proposals as a directed action is an option available to the CALFED Bay-Delta Program and its member State agencies to meet the Ecosystem Restoration Program's (ERP) goals and objectives.

Directed Action Guidelines

Directed action proposals are considered for projects that address ERP actions with special near-term importance for meeting ERP implementation priorities and where a single eligible entity is known to be uniquely qualified to carry out the task. Since implementing the ERP is the mechanism for ensuring the endangered species compliance for the actions proposed in the entire CALFED Bay-Delta Program, it is important that the Department of Fish and Game, as the state implementing agency for the ERP have a vehicle such as directed actions to meet environmental permitting commitments and strategic priorities as identified in the ROD and Plans.

The proposed guidelines describe the directed action proposal review process used to evaluate potential ecosystem restoration projects to meet the priorities referenced in the CALFED planning documents. Directed action proposals will be reviewed using a multi-tiered evaluation process consistent with the procedures identified in past Proposal Solicitation Packages.

The proposed guidelines show that directed action proposals will undergo a four step review process before a grant is awarded. Those steps include:

- **Consistency Review** to ensure consistency with ERP goals and the ERP's Draft Stage 1 Implementation Plan as well as other ERP planning documents.
- **Concurrent reviews** between administration issues, such as budget and environmental compliance; public and local government notification; and technical and scientific review.
- **ERP Implementing Agency Review** which will serve as the selection panel for funding recommendations.
- **Implementing Agencies and the Authority** will publicly review and make recommendations.

The complete proposed guidelines were posted on the CALFED Bay-Delta Program ERP and the DFG web pages for a 30-day review period, which closes November 7, 2005. Two public meetings were held about the proposed guidelines: one in Northern California and one in Southern California. Outreach to disadvantaged communities was made to promote access and participation in those meetings.

The proposed guidelines were brought to the Authority at its October 13, 2005 meeting for information (Attachment 1) and are being brought back for final review (Attachment 2) and a formal recommendation to DFG at this time. Upon adoption of these guidelines by DFG, copies will be sent to the fiscal committees and appropriate policy committees of the State Legislature.

List of Attachments

Attachment 1 – Draft Proposed Directed Action Proposal Solicitation and Evaluation Guidelines for the Ecosystem Restoration Program

Attachment 2 – Final Proposed Directed Action Proposal Solicitation and Evaluation Guidelines for the Ecosystem Restoration Program (Available after the close of 30-day review period, November 7.)

Resolution 05-11-01

Contact

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**Proposed Directed Action Proposal Solicitation and Evaluation Guidelines
Ecosystem Restoration Program
September 30, 2005**

Purpose

The following proposed guidelines establish the process that will be used for soliciting and evaluating CALFED Ecosystem Restoration Program Directed Action proposals funded through the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, Water Code Division 26.5¹, annotated (Proposition 50). These proposed guidelines are consistent with the CALFED Bay-Delta Program Programmatic Record of Decision (ROD) and Ecosystem Restoration Program (ERP) planning documents and are intended to fulfill the requirements of Section 79505.6 Division 26.5 of the Water Code. These proposed guidelines are also intended to facilitate the administration and execution of ERP projects in the most expeditious manner possible.

The CALFED ERP is designed to maintain, improve, and increase aquatic and terrestrial habitats and improve ecological functions in the San Francisco Bay and Sacramento-San Joaquin Delta to support sustainable populations of diverse and valuable plant and animal species. Proposition 50 identifies one hundred eighty million dollars (\$180,000,000) for ecosystem restoration program implementation of which not less than twenty million dollars (\$20,000,000) shall be allocated for projects that assist farmers in integrating agricultural activities with ecosystem restoration. This funding is to be used for expenditures or grants. These proposed guidelines, while focused on evaluating grant proposals, may also be used by the ERP Implementing Agencies to evaluate other expenditures such as interagency agreements.

Directed Action Projects

ERP Directed Action proposals are for projects addressing ERP implementation priorities of special near term importance and where a single eligible entity is known to be uniquely qualified to carry out the tasks. These actions are identified by one or more ERP Implementing Agencies for evaluation and funding throughout the fiscal year. Implementation of the ERP is the mechanism to achieve program objectives for ecosystem restoration and species recovery and to enable endangered species compliance for actions proposed in all CALFED Program elements. Consequently it is important that DFG, as the state implementing agency for ERP, identify specific strategic actions to expeditiously fund to meet environmental permitting commitments and strategic priorities as identified in program planning documents.

Directed Action project proposals address an urgent or timely issue or unique opportunity in response to immediate ERP priorities. The Directed Action proposal review process evaluates potential ecosystem restoration projects that meet the priorities referenced in CALFED planning documents, including the CALFED ROD, Draft

¹ http://resources.ca.gov/bond/Prop_50_with_legislative_amendments-3.pdf Proposition 50 was approved by the voters on November 5, 2002, and annotated to reflect subsequent implementing statutes as of November 23, 2004.

Stage 1 Implementation Plan² or current Multi-Year Program Plan (MYPP). These proposed guidelines detail the process used to evaluate these proposals and expeditiously execute funding agreements.

Solicitation and Evaluation of Proposals

The 2002 and 2004 ERP Proposal Solicitation Packages (PSP)^{3,4} describe the review process and evaluation criteria for reviewing all proposals submitted to the ERP. The criteria included in the PSPs and in the Draft Stage 1 Implementation Plan provide the foundation for evaluating ERP proposals and will remain the basis for evaluating Directed Actions. In addition to the criteria in the PSPs all proposals are evaluated for consistency with ROD commitments.

Process

The Directed Action proposal process begins with identification of potential ecosystem restoration projects that meet urgent, timely or unique opportunities to address priorities listed in ERP planning documents. Eligible applicants are invited to submit a proposal, in a format similar to and consistent with that used for a traditional PSP. A Directed Action proposal is reviewed using a multi-tiered evaluation process consistent with the procedures identified in past PSPs, described below.

Proposals will be evaluated through the following steps:

- **Consistency Review.** Applicability to ERP goals; consistency with draft Stage 1 Implementation Plan, MYPP, CALFED ROD; and other ERP planning documents.
- **Concurrent Review**
 - ✓ **Administrative Review.** Budget evaluation and environmental compliance review.
 - ✓ **Public, Local Government, and Tribal Notification.** Proposals will be posted on the CALFED ERP website⁵, and local governments and Tribes will be notified.
 - ✓ **Technical and Scientific Review.** All projects will undergo a technical and scientific review. On a case by case basis proposals will undergo an independent scientific review. Projects will be assessed for biological relevance and justification; approach; technical feasibility; performance measures; use of conceptual models; and application of adaptive management related to scientific uncertainties; potential for advancing scientific knowledge of the ecosystem; and regional importance.

² <http://calwater.ca.gov/Programs/EcosystemRestoration/EcosystemDraftStage1ImplementationPlan.shtml>

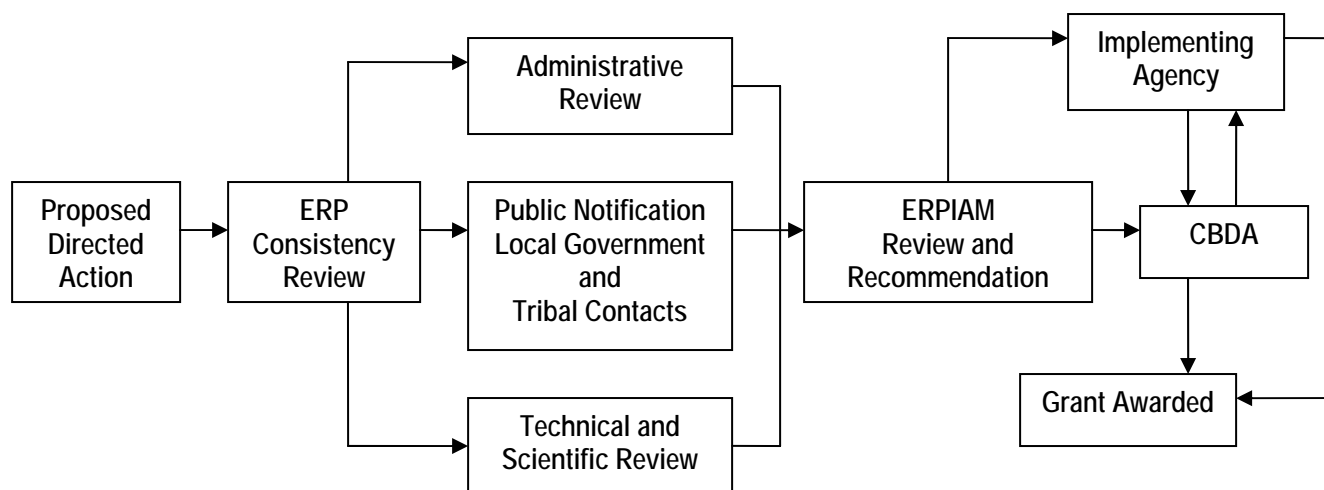
³ <http://calwater.ca.gov/Programs/EcosystemRestoration/Ecosystem2002ProposalSolicitationPackage.shtml>

⁴ http://www.calwater.ca.gov/Programs/EcosystemRestoration/2004_PSP/ERP_Monitoring_PSP_Document.pdf

⁵ <http://calwater.ca.gov>

- **ERP Implementing Agency Review.** The ERP Implementing Agencies are defined in Section 79441(c) of the California Bay-Delta Authority Act and designated managers of these agencies (Ecosystem Restoration Program Implementing Agency Managers, or ERPIAMs) serve as the selection panel for funding recommendations. The Implementing Agencies for the ERP are the California Department of Fish and Game (DFG), the U.S. National Marine Fisheries Service, and the U.S. Fish and Wildlife Service. The CBDA ERP designated manager participates with the ERPIAMs in an oversight and coordination role.
- **Funding Decision.**
 - ✓ **Implementing Agency and CBDA Recommendation.** The ERP Implementing Agencies will present their funding recommendations to the CBDA. The CBDA may review these recommendations in a public meeting and may provide comment to the Implementing Agencies. Successful proposals may also be referred directly to the CBDA for approval in a public meeting if the funds are under the budgetary control of the CBDA.
 - ✓ **Grant Awarded.** The funding entity, i.e., the Implementing Agency or the CBDA, awards the grant.

Figure 1. Directed Action Flow Chart



**Final Proposed Directed Action Proposal Solicitation and Evaluation Guidelines
for the Ecosystem Restoration Program**

(Available after the close of 30-day review period, November 7)



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Agenda Item: 8

Meeting Date: November 10, 2005

RESOLUTION 05-11-01

RECOMMENDING TO THE DEPARTMENT OF FISH AND GAME THAT IT ADOPT PROPOSED DIRECTED ACTION PROPOSAL SOLICITATION AND EVALUATION GUIDELINES FOR THE ECOSYSTEM RESTORATION PROGRAM

WHEREAS, Section 79505.6 of the California Water Code requires State agencies to develop and publish guidelines for funding projects under the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50); and

WHEREAS, the guidelines are required to be consistent with both the CALFED Bay-Delta Program's Programmatic Record of Decision (ROD) and the Ecosystem Restoration Program's planning documents; and

WHEREAS, directed action proposals are considered for projects that address Ecosystem Restoration Program (ERP) actions with special near-term importance for meeting ERP priorities and where a single eligible entity is known to be uniquely qualified to carry out the task; and

WHEREAS, it is important that the DFG, as the implementing agency for the ERP has a vehicle such as directed actions to meet environmental permitting commitments and strategic priorities as identified in the ROD and other Program planning documents; and

WHEREAS, the guidelines prepared by the Authority and the implementing agencies establish a review and approval processes for directed action proposals,

NOW, THEREFORE, BE IT RESOLVED that the Authority recommends to the Department of Fish and Game that it adopt the proposed Directed Action Proposal Solicitation and Evaluation Guidelines for the Ecosystem Restoration Program.

CERTIFICATION

The undersigned Assistant to the California Bay-Delta Authority does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the California Bay-Delta Authority held on November 10, 2005.

Dated: _____

Assistant to the California Bay-Delta Authority